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CENTRAL INTELLIGENCE GROUP INTELLIGENCE REPORT

COUNTRY Switzerland/Austria

DATE:

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SUBJECT Trade Between the Russian Zone of Austria and Switzerland

INFO.

DIST. 20 March 1947

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SUPPLEMENT

25X1X6L. [REDACTED] the Russians illegally are selling considerable quantities of goods, produced in their zone of Austria, to Switzerland. These transactions do not pass through the Austrian-Swiss clearing arrangements.

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- Information [REDACTED] shows that the following Swiss and Austrian firms are concerned in these transactions:

(a) Swiss Firms:

Kopfmehl, Zofingen;
Solka, Baden near Zürich;
Frigalment, St. Margrethen;
Bavag, Basel, Gerberstrasse 20;
Est-Commerz, Zürich, Seehofstrasse 16.

(b) Austrian Firms:

Transithandel A.G., Vienna and Zürich;
Im-Export, Vienna VII, Schottenfeldgasse;
Austtram, Linz (Managing Director: Gazda);
Mitterbach & Wagner, Traun, Upper Austria.

- Recently Rudolf Hengel of Im-Export visited Switzerland. He had with him a recommendation of the "Administration of Soviet Property in East Austria" (Verwaltung für Sowjeteigentum in Östlichen Oesterreich), signed by its chief, Colonel Rapschinkov (sic), and addressed to Counselor Gribanov of the Russian Embassy in Berne. Gribanov recommended Hengel to get in touch with a certain Popov, living at the Hotel St. Gothard in Zürich, whom he described as "an unofficial commercial representative of the USSR".

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4. The firm, Frigaliment, of St. Margrethen negotiated the sale of 25,000 tons of scrap iron from the Russian Zone of Austria to Switzerland, which did not pass through the Austrian-Swiss clearing as it was regarded as Russian war booty. Also concerned in this transaction was the firm of Mitterbach & Wagner. Mr. Wagner of this latter firm visited Switzerland at the time of the transaction. While returning to Austria, he was caught by the Austrian customs officials with 130,000 Austrian schillings on him. 25X1X6
25X1X6 this sum was part of the commission being paid to his firm in "black" schillings. Under the transaction Mitterbach & Wagner were to receive 14 schillings per ton and a commission of one percent for working the scrap iron and arranging its shipment to Switzerland. This should have passed through the Austrian-Swiss clearing.
5. Frigaliment was commissioned by the Russians to purchase goods in Switzerland for them from the proceeds of sale of this scrap iron.
6. Frigaliment also is concerned in transactions with the St. Pöltner Glanzstoff A.G., another Austrian firm under Russian control. Recently Frigaliment has bought considerable quantities of artificial silk from the St. Pöltner Glanzstoff against certain goods and machinery required by the St. Pöltner Glanzstoff A.G. In this connection source points out that the Russians would be interested in improving the value of those Austrian concerns, which they have taken over, against the possible time when they will be forced to sell them back to the Austrians.

- 25X1X6 7. [REDACTED] representatives of the Frigaliment firm have been crossing frequently to and fro from Austria to Switzerland. Recently the firm applied for official permits for the following three representatives to go to Austria:

Dietschweiler, Arthur
 Swiss Subject
 Born 15.7.26
 Resident at Altstätten, Marktgasse.
 (In his application Dietschweiler admits that he has travelled frequently to Italy on business since the end of the war.)

Buehlmann, Johann
 Swiss Subject
 Born 13.8.1906
 Resident at St. Margrethen, St. Gallenhauptstrasse

Gantenbein, Jakob
 Swiss Subject
 Born 31.10.1912
 Resident at St. Margrethen

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8. In support of these applications Frigalment stated that it is doing considerable business with the Austrian authorities, with whom it now requires personal contact. Thus, it has supplied 200 tons of fish to the Food Office in Vienna, and has been asked to increase these supplies. It has also bought 1,000 tons of soda from Ebensee against milk cans, and 5,000 tons of scrap iron from Upper Austria.

9. The firm of Transithandel A.G., is owned by Schmidt-Bourg and Baron Görz, who are resident in Vienna, and Major Reichel-Erlenhorst, who is resident in Zürich. This firm recently negotiated the sale of Hungarian oil to Switzerland in agreement with the Russian authorities in Vienna.

10. Reichel is a good friend of Minister Heintl, who looks upon him as an official Austrian representative in Switzerland. He is also adviser to the Swiss firm of Benninger in Zürich. [REDACTED] all three owners of this firm have very doubtful reputations in Austria. Schmidt-Bourg and Görz headed the Economic Department of the Tyrolean Government immediately after the war, and were finally turned out as the result of protests from all sides. Reichel was in South Tyrol during the closing stages of the war, claims to have played a part in the capitulation of the German armies there and in the organization of the South Tyrolean resistance movement. In South Tyrol he has the reputation of a convinced Nazi and close friend of Gauleiter Hofer.)

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11. [REDACTED] Ing. Bickel and Ing. Lampel of Geigy-Vertretung in Vienna recently introduced a Swiss named Weber to the Russians in Vienna.

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12. [REDACTED] copy of a letter addressed by the "Administration of Soviet Property in East Austria" on 23 December 1946, to the Swiss firm of Paul Oeschger & Cie., Zürich Oerlikon. In this letter, which refers to unspecified compensation transactions, Paul Oeschger & Cie. are asked by the Russians to deal with the Austrian firm of Schenker & Cie. in Vienna.

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